



The State of New Hampshire
Department of Environmental Services

Michael P. Nolin
Commissioner



January 10, 2006

The Honorable Norman L. Major
Chairman, House Ways and Means Committee
Room 202
Legislative Office Building
Concord, NH 03301

Re: House Bill 1604 - An Act relative to establishing business tax credits for employer-sponsored shared commuting costs.

Dear Chairman Major and Members of the Committee:

The New Hampshire Department of Environmental Services (DES) is pleased to offer testimony regarding proposed House Bill 1604, which seeks to establish business tax credits for employer-sponsored shared commuting costs. DES supports efforts to increase use of public transit, carpools, van pools, and other options to use of single occupant vehicles for commuters, but DES leaves matters of tax policy and incentives to the legislature.

The Seacoast and Southern portions of New Hampshire are not in attainment with federal health-based National Ambient Air Quality Standards (NAAQS) for ground level ozone. Ground level ozone is a severe respiratory irritant and is formed when oxides of nitrogen (NOx) and volatile organic compounds (VOC) combine in the presence of heat and sunlight. Ozone can exacerbate existing health issues such as asthma or other respiratory disease at low levels, and can cause respiratory distress even in the generally healthy population at high levels. In New Hampshire, and most of the nation, the primary source of these precursor pollutants, NOx and VOCs, is automobiles. The average number of days in New Hampshire above the NAAQS ozone standard each year since 1983 is nine. Even as recently as 2002, there were 13 days that were over the standard. While many of these ozone events are impacted by the transport of air pollution into the state, significant levels of instate air pollution are contributed by our own motor vehicles driven both in-state and to jobs in Massachusetts.

In addition, mobile sources are a major source of air toxics in the state, and play a significant role in the exposure of New Hampshire citizens to toxic air pollutants and their health impacts. While emissions of toxic air pollutants from New Hampshire's industrial sources have seen a dramatic decrease over the last 15-20 years, emissions from mobile sources have not, again due primarily to substantial increases in both the number of vehicles on the road and the number of miles driven. In

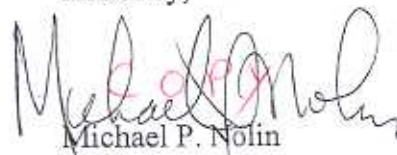
fact, a recent Environmental Protection Agency evaluation of emissions from all source categories shows that almost 75 percent of toxic air pollutants (including many carcinogenic compounds) generated in New Hampshire come from mobile sources.

Since the 1970s, the automobile industry has made great progress in reducing vehicle emissions. However, the number of vehicle miles traveled has increased by over 3 percent in the past decade¹, and vehicle occupancy rates have declined steadily, falling from approximately 1.87 persons per vehicle in 1977 to 1.57 persons per vehicle in 2001². This is confirmed by data from the US Census Bureau that shows that 76 percent of workers in the United States drove to work alone in 2000, an increase of 3 percent since the 1990 census.

In order to effectively combat the air pollution impact of cars and trucks we must reduce the amount of miles driven. Implementing commuter choice options is an effective way to accomplish this goal, but can be expensive for employers to offer employees the incentives needed to entice them to participate in these programs. Those companies that seek to become a part of the solution to our air pollution and energy problems should be rewarded. Their efforts provide air quality benefits for the entire state and energy security benefits for the nation. This bill seeks to do just that, by offering a modest tax benefit to employers who actively participate in commuter option programs. This bill will also help support organizations such as the Seacoast Commuter Options and other transportation management associations who work with employers and employees to help identify car pool and van pool opportunities, work with local transit providers to help ensure the transit system is meeting the needs of the local commuting population, and in general provide the tools needed to make such programs get off the ground and keep working.

DES appreciates the opportunity to provide testimony related to House Bill 1604. Should you require further information or assistance please do not hesitate to contact me or Rebecca E. Ohler, Mobile Source Planning Unit (271-6749, rohler@des.state.nh.us).

Sincerely,


Michael P. Nolin
Commissioner

cc: Members of the House Ways and Means Committee

¹ U.S. Department of Transportation, Bureau of Transportation Statistics, National Transportation Statistics 2003.

² U.S. Department of Transportation, 2001 National Household Travel Survey.